



Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact support@jstor.org.

CONDITIONS FUNDAMENTAL TO INDUSTRIAL PEACE

BY GEORGE B. HUGO,

President, Employers' Association of Massachusetts, Boston.

With the "get-all-you-can-any-way-you-can spirit" pervading industry and the desire to get the best of the bargain when differences arise between capital and labor, the outlook for industrial peace is not encouraging. With this spirit predominating, ethics, justice, and common honesty receive but scant consideration. Especially is this true when labor is organized and capital is corporate or combined.

Corporate management and organized leadership, influenced by the collective mind which they serve, make it, if not necessary, at least most expedient not to be over-scrupulous in dealing with each other. The demands of the bond and stockholders who look to the management of corporations for material returns and the equal demands of the rank and file of organized labor who also look to their leaders for substantial results, make the means adopted—however questionable—justify the end sought. Both relieve themselves of all moral responsibility for the acts of the agents of their particular group, and both accept the benefits secured without scruple or examination into the methods employed to obtain them. The underlying cause of the conflict in industry may be traced directly to this substitution of corporate for individual ownership of industries and to the substitution of organized labor for individual labor. Group responsibility has taken the place of individual responsibility.

As a result, the individual conscience has become dissipated in the collective stream of irresponsibility. With the loss of its economic identity, it has lost also its moral resistance to the popular but insidious philosophy of the right of group might over individual right. Fortified with this false and unethical philosophy, corporate capital and organized labor must necessarily keep up a bitter and relentless struggle for supremacy, each to retain its position, even at the sacrifice of every consideration of equity. The mutual distrust engendered by this attitude of mind leaves any possibility of an equitable adjustment of differences on peaceful lines out of the question. Both sides,

conscious of their power, will continue the struggle until one of the parties to the conflict is completely overcome and the other is in full control of industry. The only possible relief lies in the hope of a greater compelling force arising to overpower both combatants now battling for industrial control. There is no indication, however, of the realization of this hope.

Government, to which we should look to take the initiative in protecting the individual from group assaults, is honeycombed with the group spirit. It has abdicated its function and left the unorganized, unassociated, uncombined individual to shift for himself. One must be tagged, labeled, or carry the insignia of collectivism in some form to receive any protection from officialdom. Officialdom, whether appointed or elected, is influenced in its decisions not by the right or wrong or the merits of any question that arises, but by the effect its action may have upon the position it holds. If the public good suffer by wrongs committed against the individual it is of little consequence, providing it brings the reward of continued political service from the debased group selfishness which it serves, be it corporate capital or organized labor. There are few exceptions to this rule in state or nation.

The race of subservient officialdom for group favor and its utter disregard of individual and community rights is well illustrated by the Boston Elevated Railway Company strike of recent date. The main issue involved in this strike was the recognition of a newly-formed union whose membership comprised less than half the employees of the railway. The great majority of employees, satisfied with conditions, refused to strike and remained loyal to the company. The public announcement advertised in the newspapers and signed by the president of the Boston Elevated Railway Company, that "The management intends to support its loyal employees in their avowed determination that no outside individual or organization shall come between themselves and the officers of the company," gave every assurance of protection to the loyal employees from any outside group interference.

The usual tactics of organized labor were employed to terrorize the community. Cars were overturned and carloads of passengers stoned, tracks were dynamited and many passengers and employees seriously injured, some fatally. Arrests of striking carmen in great numbers followed. The courts, presided over by judges appointed

for life in Massachusetts and thus free from the baneful influence of group coercion and intimidation, did their full duty to the community. Severe but just sentences were meted out, which had the effect of checking the more turbulent among the strikers.

During this period the loyal employees stuck to their posts and operated the cars, facing danger and bearing the physical brunt of the contest with courage and fortitude, qualities of the best citizenship. They were rendering a public service and appreciated their responsibility to the community. They assisted the company to secure a full complement of men, and cars were soon running on a normal schedule. There was every physical indication that the strike was a closed incident when, like a bolt from a clear sky, the public conscience was shocked by the news that the elevated railway officials had come to an agreement with the strikers, in which they surrendered every point at issue. The union was recognized, the strikers reinstated in their old positions at former ratings, thus displacing the loyal carmen automatically advanced during the strike. Loyalty and fidelity were penalized, disloyalty and brutality rewarded. What malign influence had brought about this treachery on the part of the railway officials? The threat by organized labor of political extermination of the governing authorities of both state and city if they did not force the railway company to yield to labor's demands.

A most disgraceful scramble of officialdom followed, to serve what appeared to be the stronger of the two group interests involved in the strike. The governor of the state (seeking re-election) arbitrarily said to the company: "The men are right. You must give way!" The mayor of the city, with a United States senatorship in view, followed suit, and the district attorney, also a candidate for gubernatorial honors, disgraced his profession by upholding the strikers convicted in the lower courts, stating that they had been unjustly sentenced and that he stood "between the people and such lower courts as seem to have lost all reason." The Board of Arbitration and Conciliation, not to be outdone by the political fireworks of the governor, mayor, and district attorney, gave extensive hearings, finally reporting that the company was responsible for the strike.

To show the effect of group terrorism over officialdom, the salient points of this report are illuminating. The board said:

Upon the evidence presented, the board finds that the men were justified in the belief that many had been discharged because of their membership in the

union, or their activity in its formation, and that the company was responsible therefor.

It appears by the evidence that many of the company's cars are being operated by men whose conduct does not merit the approval of the traveling public; that there has been neglect, discourtesy and insolence on the part of some of the employees; that conductors have been seen to collect fares without recording them by the device furnished for that purpose. This latter abuse of the public and the company has a decided tendency to weaken the high standard of honesty, which is so essential to our social and industrial structure.

The existing controversy seriously affects the public interest, and the board recommends to the parties that in conference they endeavor by agreement to accomplish an amicable settlement which shall be alike just to the company and its employees and the public which it is its duty to serve.

Counsel for the company submitted a statement at the conclusion of the hearing on July 16, which purported to prove that more men were employed by the company than were in its employ on June 5, and that the car service was being maintained in its former normal condition. Therefore, counsel contended, no strike exists at the present time.

The board does not hold this view. A strike exists so long as those who strike maintain an organization, or by concerted action continue in the endeavor to secure the object which they seek to attain.

In this report, so hypocritically solicitous for the public welfare, the company is censured for technically violating the law, but such minor offenses as dynamiting tracks, overturning cars, injuring passengers, and the general destruction of property by strikers in uniform, received no mention. The board was evidently blind and deaf when evidence of violence was submitted, which may account for its being dumb about it in its report. And yet, after receiving such unfair and unjust treatment, the company relieved itself in true corporate fashion, of all responsibility by agreeing to leave the terms of settlement and the fate of its loyal employees in the hands of this tribunal which, by implication, had already prejudged the case. By this humiliating and dishonorable surrender it cowardly deserted its loyal workers to whom it had promised support and protection against any individual or organization that might come between them. It sacrificed every fundamental principle of right and justice. The price of peace was perfidy. It was paid!

With the strike won and the company financially solvent, why did it accept the heavy exaction of moral bankruptcy? The inference is that it felt unable to cope with a hostile government, lawless unionism, and a prejudiced state Board of Conciliation and Arbitration.

But can cowardice be offered as an apology for the base betrayal of principle? If our moral structure is to be based on the policy of following the lines of least resistance, we as a nation are doomed to destruction.

The termination of this strike established three things: First, that group violence and lawlessness are now recognized as legitimate and effective weapons in industrial disputes; second, that a politically created state Board of Conciliation and Arbitration cannot, by the very nature of its being, render just and impartial decisions in labor disputes; third, that government under our present system cannot be relied upon as a compelling force to insure justice and protect the individual and the law-abiding community when corporate capital and organized labor are at war. In addition, it proved beyond doubt the demoralizing effect of the group spirit on the individual. With the exception of the loyal employees every group involved—corporate capital, organized labor, the Board of Conciliation and Arbitration, and governing officialdom were blameworthy. Still, probably no individual held himself responsible for this foul action, but shunted the odium upon those he represented or served.

The establishment of this new order of things destroys all hope of relieving the industrial situation through the ordinarily accepted peaceful means. Conciliation and arbitration, whether state created or mutually agreed upon by the disputants, has proved to be a failure and utterly worthless as a means of bringing about lasting peace. At its best it is only a miserable makeshift, a worn out expedient invented to postpone the evil day through compromise. Its acceptance by either party to a dispute is either an acknowledgment of weakness or doubt of the justice of the position taken. Power seldom makes any concession and justice does not permit of compromise when a question of right principle is involved. A principle is either right or wrong. It cannot be compromised. It has been well said, "Every time you make a compromise, the devil gets the best of it." One terrible experience in our national life drove home the truth of this trite saying. We compromised on the slavery question. The devil had the best of it for over fifty years, but we finally settled it and settled it right, though at a tremendous cost of life and treasure. Had the founders of our nation refused to sanction this one great compromise between the slave and free states, is there any doubt that we should have been spared the horrors of our civil war?

The industrial question is analogous. We failed to profit by the bitter experience of compromising the slavery question. Had we refused capital the privilege of combining and equally refused to concede to labor the right to organize, without holding each individual composing such combination or organization responsible for its collective acts, we should have been spared the discord and strife in the industrial world. By compromising the great moral principle of equal responsibility before the law, we indirectly but none the less effectively gave a severe blow to the supreme principle upon which our liberty and the foundation of our institutions rest, namely, equality of opportunity and individual freedom.

By the adoption of this double standard to govern industry, one standard for the individual and another for the corporation or organization, we also divided the community into two classes, naturally antagonistic to each other: those whose welfare depended upon the success of the group with which they were affiliated and those whose welfare depended upon their own initiative. Thus divided, equality of opportunity ceased for the individual and only remained for the larger corporate or associated group units.

The menace of this division was not fully recognized until corporate capital began gradually but steadily to absorb industry. The individual manufacturer or merchant, no longer able to compete in this unequal contest, soon found himself compelled to succumb to this overwhelming force. If left in the industrial field it was only by sufferance. This condition, however, was accepted as being in the interest of public good. The economy of production through combination was elaborated upon as a compensating feature for the elimination of the individual as a factor in industry. What if the individual did suffer unjustly? Did not the larger output and the minimum of waste through duplication of plants mean cheaper commodities for the public? Should not the individual make this sacrifice?

So long as only the comparatively few were affected by the ruthless oppression of corporate capital, this self-sacrificing reasoning, when applied to the other fellow, was cheerfully accepted and little thought given to the principle involved. But when the flim-flam game of temporary reduction of the prices of commodities was exposed by the excessive monopoly prices which followed after the industrial field had been cleared of individual competitors, the same self-sacri-

ficing reasoning did not apply. It looked different when compelled to submit to any exaction that corporate capital might impose.

The awakening came too late. Corporate capital was now firmly intrenched and rooted, both industrially and politically. Anticipating the clamor of its deluded victims and the demand they would make of government for protection, it was forehanded enough to get control of government officialdom as well as industry, thus closing the only avenue of escape from which relief might come. Not until then did we realize the helplessness of our position and the folly of stripping ourselves of the safeguard of competition in industry.

Coincident with the powerful growth of corporate capital, there came into being another group, promising at its inception but afterward proving equally menacing to the principle of equality of opportunity and individual freedom. Organized labor began to flourish. It must be conceded that as an antidote to corporate capital, it was justified in combining for self-protection against the common enemy. There was merit in the argument that if the individual manufacturer or merchant with capital to invest, was unable to hold his own in industry, the individual workman would have no chance at all with only his labor to offer against combined capital. The take-it-or-leave-it policy of monopoly-controlled industry in the purchase and sale of commodities applied with equal force to the purchase of labor. With the opportunity to sell its labor restricted to a narrowed field in control of corporate capital, it too must submit to the inevitable and take what was offered or find another means of enforcing just compensation. Between the alternative of complete submission or combining to protect itself it chose the latter.

Up to this point there was common agreement as to the justice and expediency of a defense movement to check monopolistic aggression. Supported by the great majority outside of its immediate ranks, organized labor succeeded in getting a permanent foothold. So long as organized labor remained on the defensive it fulfilled its true function of protecting its own rights and those of the community. It justified its existence. But when it encroached upon the rights of others its usefulness ceased. No matter how laudable its original object may have been, once established and grown to power it equally sought complete control of the industrial field. It not only attacked corporate capital but every individual whether emp'oyer or employee who refused to do its bidding. By its policy of the closed shop,

restriction of the use of tools and machinery, restriction of output and restriction of apprentices, thus denying the American boy the opportunity to learn a trade except in prison, and the many other well-known but absurd restrictions with which unionism is fettered, it ignored the principles of equality of opportunity and individual freedom.

While corporate capital controlled the price of commodities it did not force one to buy them. The privilege of becoming vegetarians still remained if beef trust exactions went beyond the length of our purse. Organized labor, on the other hand, controlled men. It said in substance to employers: "You must pay our price for the labor of each man regardless of efficiency or worth, and if you refuse no other man will be permitted to take the job!" To the workman it said: "You must pay tribute to the union and obey the union laws or you can not work at all!" In other words, it denied not only the right of equality of opportunity but went further and said, "You shall have no opportunity!"

In a word, there is no choice for the individual between the two evils, corporate capital and organized labor. He must submit to either one of the two groups or to both. The rules of the game of both groups are governed by the same principles. There is no essential difference between them. Both are selfish. Both are bound together by the common bond of group interest and both deny that the individual has any rights that deserve to be respected. We have nothing to gain from the success of either group. Their interests are identical, their purpose the same. The best evidence of their unanimity of purpose is the united opposition of both forces to the Sherman anti-trust law, designed to protect the individual from group encroachment.

Let us no longer be deceived by the altruistic claims of combined capital with its much advertised palliatives of welfare work and profit-sharing schemes, mere bids for immunity from censure. Neither should we be deceived by the humanitarian claims of organized labor. The bettering of the condition of the worker is a mere incident in the scheme of advancement to greater power, designed to hoodwink the credulous but misguided sympathisers with unionism. Furthermore, let us no longer be deceived by the intermittent skirmishes between these two selfish groups, which always terminate in a division of the swag extorted from the community as its share of the price of peace.

Permanent peace established on this basis is more to be feared than present day strife. It would perpetuate the burden without hope of ever being relieved. In the confusion of discussion and the turmoil of warfare between corporate capital and organized labor, the real issue upon which industrial peace depends has been lost sight of. It is not economy of production, increase of wages, shorter hours or bettering of general conditions, but whether individual freedom shall succumb to collective slavery. Whether this nation shall remain free for every individual to make the best of himself or herself without interference from any group, be it capital or labor, this is the real issue. It must be settled, and settled right, before lasting industrial peace can be established.

To carry the analogy of the slavery question still further: When the immortal Lincoln said in substance, that a perfect union and a lasting peace could only be secured by making every state a slave state or every state free, that harmony under other conditions was impossible, it awoke a storm of protest. It was the expression of a new thought and it set statesmen thinking in every corner of the republic. We know to-day that utterance was truth. It is equally true to-day that lasting peace in industry cannot be secured until each individual is economically free or collectively enslaved. Harmony under other conditions is impossible.

This conclusion raises the question whether resort to force is the only course open to determine whether individual economic freedom or collective slavery shall prevail. Every indication points to an affirmative answer. Have not all the peaceful means of arbitration, conciliation, mediation, and compromise signally failed? Have they not served to aggravate instead of relieving the tense feeling of unrest and discontent in the industrial field? Does anyone believe that the privileges so lightly granted will be surrendered by either group without a struggle? Has not organized labor already demonstrated the efficacy of violence as a means of increasing its power? Will not the individual, abandoned by government, exploited by corporate capital, and oppressed by organized labor, in final desperation make an effort to free himself?

When the peaceful ballot fails, the hostile bullet follows. The clash is inevitable. There will be a new alignment of forces. It will not be between capital and labor as such, but between the champions of a strong individualism and the weakened serfs of

collectivism. There is no doubt as to the result. Individualism will triumph and collectivism will go down in defeat. The moral cholera of our industrial life will disappear. True values of commodities and labor will be fixed by the natural gauge of worth and efficiency, and not by monopolistic fiat or organized labor decree. Government will again assume its abdicated function of protecting the individual and equality of opportunity and individual freedom will once more become a virile, living force. Then, and not until then, will permanent industrial peace be established.